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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte SCOTT N. CHRISTENSEN

Appeal 2009-002957
Application 09/315,822
Technology Center 3600

Decided:[1] July 30, 2009

Before: MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

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[1] The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection of claims 1 to 27. We have jurisdiction under 35 U.S.C. § 6(b) (2002). The Appellant appeared for oral hearing on June 23, 2009.

Appellant invented an apparatus and method for distributing, generating, authenticating, and redeeming discount coupons electronically (Specification 1).

Claim 1 under appeal reads as follows:

> 1. An in-store redemption system for generating coupons comprising:
>
> a database of coupon information including information about coupons available, consumer account information, and information for associating selected ones of the available coupons with consumer accounts;
>
> means, located at a retail location, for accessing the database, the means for accessing including, input means for enabling a consumer to enter account information, display means for displaying information about the coupons available to the consumer account, and selection means for enabling the consumer to select desired ones of the coupons based on the displayed information;
>
> a printer, located at the retail location, for printing the selected coupons; and
>
> redemption means, at the retail location, including a scanner for scanning coupons at the retail location checkout and means for determining if a coupon presented by the consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Lemon	US 4,674,041	Jun. 16, 1987
Powell	US 5,887,271	Mar. 23, 1999
Barnett	US 6,321,208 B1	Nov. 20, 2001

The Examiner rejected claim 1, 4, 9, 10, 11 to 15, 16, and 24 to 27 under 35 U.S.C. § 102(b) as anticipated by Lemon.

The Examiner rejected claims 16 to 26 under 35 U.S.C. § 102(e) as anticipated by Powell.[2]

The Examiner rejected claims 1 to 16, 19, and 24 to 27 under 35 U.S.C. § 103(a) as being unpatentable over Barnett.

ISSUES

Has Appellant shown that the Examiner erred in rejecting the claims because the prior art does not disclose validating the presented coupon prior to crediting the consumer with a redemption value of the coupon at the retail location? This issue turns on whether the recitation regarding determining if a coupon presented by the consumer is valid is limited to a determination of whether the coupon itself is valid.

Has Appellant shown that the Examiner erred in rejecting claim 4 under 35 U.S.C. §§ 103(a) and 102(b) because the prior art does not disclose a means for counting the number of times the consumer redeems a particular coupon?

Has the Appellant shown that the Examiner erred in rejecting claims 7 and 8 because the prior art does not disclose a means for accessing the database comprises a computer diskette?

[2] The Examiner has withdrawn the rejection under 35 U.S.C. § 112, first paragraph (Answer 23) and the rejection of claim 27 under 35 U.S.C. § 103(a) as being unpatentable over Powell (Answer 28).

Has the Appellant shown that the Examiner erred in rejecting claim 13 because the prior art does not disclose a redemption means at the retail location for validating the coupon before it is redeemed?

FINDINGS OF FACT

Appellant discloses an in-store redemption system that includes a bar code on the coupon that is scanned at the check-out to redeem the coupon (Specification 32). The bar code includes codes identifying the product, size, and redemption terms. This bar code may be read by existing supermarket or retail store scanning or coupon redemption devices (Specification 32).

Lemon discloses a coupon distribution system which enables a manufacturer to control its liability for coupons to deter fraudulent redemption by prescribing a particular number of coupons to be redeemed collectively and at each particular retail store (col. 1, ll. 55 to 63). The coupons are encoded with store identification numbers, expiration dates, uniform product codes ("UPC") and other information (col. 1, ll. 63 to 57). A stand alone coupon dispensing terminal is provided for each retail store (col. 2, ll. 5 to 6). Each terminal communicates with a central processing unit having a database which is located remotely. The coupons are displayed for customer selection at each terminal and selected by use of a touch screen/cathode ray tube combination (col. 2, ll. 8 to 10). The coupons are used for retail sales of merchandise such as groceries and dry goods (col. 1, ll. 7 to 10). The coupons have same day expiration dates (col. 1, ll. 67 to 68). The system can be used to count the number of coupons issued (col. 2, ll. 16 to 18). The coupons may be provided with an electronically readable

uniform product code so that the coupons can be read by a programmed check-out register and to apply the coupon only if the product code matches the product purchased in real-time (col. 6, ll. 41 to 47).

Powell discloses a coupon redemption system which includes a smart card which stores user information and coupon information. The user presents the smart card at the checkout and the card is read and it is determined by scanning the UPC code on the product, whether the product purchased matches a product coupon stored on the smart card and if so the user is credited with the value of the coupon (col. 13, ll. 19 to 63). The determination takes place in real-time.

Barnett discloses a redemption system in which coupons are generated at a remote site. The system includes a centrally located repository of electronically stored product redemption coupon data (col. 4, ll. 40 to 44). The coupons are used in the normal fashion by a consumer when shopping at a retail store in that the coupons are presented at the check-out and the discount amount is credited to the consumer at the point of sale in real-time (col. 7, ll. 12 to 17). The redeemed coupons are transmitted to a coupon redemption center where user specific data is read from the coupons and stored in the coupon redemption database. The information stored at the coupon redemption center is utilized to disallow redemption of a coupon that has already been redeemed (col. 11, ll. 18 to 24).

Merriam-Webster's Online Dictionary (2009) defines the word "valid" as having legal efficacy or force (http://www.merriam-webster.com/dictionary/valid).

It is well known in the art to distribute a floppy disk which when installed on a user's computer allows the user to access an online distribution system or a computer network.

PRINCIPLES OF LAW

Anticipation

To support a rejection of a claim under 35 U.S.C. § 102(b), it must be shown that each element of the claim is found, either expressly described or under principles of inherency, in a single prior art reference. *See Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 772 (Fed. Cir. 1983), *cert. denied*, 465 U.S. 1026 (1984).

Obviousness

An invention is not patentable under 35 U.S.C. § 103 if it is obvious. *KSR Int'l Co. v. Teleflex Inc.,* 550 U.S. 398, 427 (2007). The facts underlying an obviousness inquiry include: Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. *Graham v. John Deere Co.,* 383 U.S. 1, 17-18 (1966). In addressing the findings of fact, "[t]he combination of familiar elements according to known methods is

likely to be obvious when it does no more than yield predictable results." *KSR* at 416. As explained in *KSR*:

> If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill. *Sakraida* and *Anderson's-Black Rock* are illustrative - a court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions.

KSR at 417. A prior art reference is analyzed from the vantage point of all that it teaches one of ordinary skill in the art. *In re Lemelson*, 397 F.2d 1006, 1009 (CCPA 1968) ("The use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain."). Furthermore, "[a] person of ordinary skill is also a person of ordinary creativity, not an automaton." *KSR* at 421.

On appeal, Applicants bear the burden of showing that the Examiner has not established a legally sufficient basis for combining the teachings of the prior art. Applicants may sustain its burden by showing that where the Examiner relies on a combination of disclosures, the Examiner failed to provide sufficient evidence to show that one having ordinary skill in the art would have done what Applicants did. *United States v. Adams*, 383 U.S. 39, 52 (1966).

ANALYSIS

Anticipation by Lemon

We are not persuaded of error on the part of the Examiner by Appellant's argument that Lemon does not disclose validating the presented coupon prior to crediting the consumer with a redemption value of the coupon at the retail location. Appellant argues that the step of "determining if a coupon presented by the consumer is valid" recited in claim 1 requires that it be determined whether the coupon is a fraudulent coupon. In Appellant's view, a determination of whether the coupon matches the product purchased and the determination of whether the coupon has expired is not a determination of whether the coupon presented by the consumer is valid. We do not agree.

Appellant has not directed our attention to a special lexicographic definition for the word "valid." As such, we will interpret this term recited in claim 1 according to the customary and ordinary definition i.e., having legal efficacy or force. In our view, the determination of whether a coupon matches a product purchased is a determination of whether the coupon is valid for the redemption amount. Clearly, a coupon presented for a product not purchased has no legal efficacy in regards to crediting a redemption amount. In addition, the determination of whether the coupon is an unexpired coupon is also a determination of whether the coupon is valid. In this regard an expired coupon has no legal efficacy. These determinations certainly take place in the Lemon system prior to the crediting of the consumer and as such Lemon does determine the validity of the coupon prior to crediting the consumer at the retail location.

We are also not persuaded of error on the part of the Examiner by Appellant's argument that claim 1 is written in means-plus-function language and the Examiner has not pointed to structure in the Lemon reference that performs the redemption means for determining if the coupon is valid. In the Appellant's invention, the coupon is validated at the retail location by a scanner/bar code combination. Lemon discloses that the coupons may include a UPC that is read at a traditional check-out. A person of ordinary skill in the art would know that this reading at the check-out is made to determine if the purchased product matches the coupon product and to determine whether the coupon has not expired. As such, Lemon discloses the same means for redemption as disclosed by the Appellant.

Therefore, we will sustain the rejection as it is directed to claim 1. We will also sustain this rejection as it is directed to claims 9, 10, 11 to 15, 16, 24, and 27 because Appellant has not argued the separate patentability of these claims.

We are persuaded of error on the part of the Examiner in rejecting claim 4 by Appellant's argument that Lemon does not disclose means for counting the number of times the consumer redeems a particular coupon at the retail location. While Lemon does disclose that the number of coupons issued can be counted, Lemon does not disclose that the coupons redeemed are counted. Therefore, we will not sustain this rejection as it is directed to claim 4.

We are not persuaded of error by the Examiner in rejecting claims 7 and 8 by Appellant's argument that Lemon does not disclose a means for accessing the database comprising a computer diskette. We agree with the

Examiner that it is well known in the art as demonstrated by the floppy diskettes distributed by AOL to access a database using a floppy disk.

We are not persuaded of error by the Examiner by Appellant's argument that Lemon does not disclose the subject matter of claim 12 because Lemon does not disclose that a database is assessed in determining if the coupon is valid. We view the teaching in Lemon that the stand alone dispensing terminal only prints coupons the manufacturer has authorized for the particular user after assessing a database to be a teaching of a redemption means which determines the validity of the coupon by assessing a database. In our view, the redemption means comprises the terminal that dispenses the coupons and the checkout scanner.

We are not persuaded of error by the Examiner by Appellant's argument that shows that the prior art does not disclose real-time verification at the retail location for validating the coupon before it is redeemed. The verification at the checkout by the scanner is real-time verification. Therefore, we will sustain the Examiner's rejection of claim 13.

Anticipation by Powell

Appellant argues that Powell does not disclose means for determining if a coupon is valid. We will sustain the rejection as it is directed to claim 16 for the same reasons detailed above in our discussion of the anticipation of this claim by Lemon. As Powell discloses a coupon redemption system which includes a smart card which the user presents at the checkout where the card is read and it is determined whether the product purchased matches a product coupon stored on the smart card, Powell discloses determining the validity of a coupon at the retail location. In addition, Powell utilizes the

same structure, i.e., a scanner to scan the UPC and determine the expiration date and whether the product matches the coupon. We will also sustain this rejection as it is directed to claims 17 to 26 because the Appellant has not argued the separate patentability of these claims.

Obviousness in view of Barnett

We will sustain the rejection as it is directed to claim 1 for the same reasons detailed above in our discussion of the anticipation rejection of this claim by Lemon. Barnett also discloses that the coupon is validated by checking the expiration date and the match between the coupon offered and the product purchased. Barnett also discloses a scanner at the checkout counter that scans the coupons to ascertain whether the coupon is valid and thus teaches the same structure disclosed by Appellant.

We will also sustain the rejection of claims 2, 3, 5, 7 to 11, 13 to 15, 16, 19, and 24 to 27 because the Appellant has not argued the separate patentability of these claims.

We will not sustain the rejection as it is directed to claim 4 because Barnett does not disclose a means for counting the number of times the consumer redeemed a particular coupon.

We will also sustain the rejection as it is directed to claim 6 because Barnett discloses a central database which stores downloadable coupons.

We will not sustain the rejection as it is directed to claim 12 because Barnett does not disclose that the step of determining coupon validity comprises accessing the database.

CONCLUSIONS OF LAW

On the record before us, Appellant has established that the Examiner erred in rejecting claim 4 as being anticipated by Lemon and as being obvious in view of Barnett.

The Appellant has not established that the Examiner erred in rejecting the other claims.

DECISION

The Examiner's rejection of claim 4 under 35 U.S.C. § 102(b) as anticipated by Lemon and under 35 U.S.C. § 103(a) as unpatentable over Barnett is not sustained. The Examiner's rejection of claim 12 under 35 U.S.C. § 103(a) as being unpatentable over Barnett is not sustained.

We will sustain the remaining rejections of the Examiner.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2008).

AFFIRMED-IN-PART

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